

## USOA Part 32 Accounts

Cost Pool Name Cost Pool Identification Cost Pool Apportionment Method

Comments

P N S A

2114 Tools and Other  
Work Equipment (Cont )Other Work Equipment Cost  
PoolBased on description of  
accounting codesIndirectly attributed based on relative value of  
current month salaries and wages in Accounts  
2211 through 2441 and 6211 through 6441Includes major tool items not  
provided for in other accounts

✓ ✓ ✓ ✓

Special Tools – Distribution  
Services Cost PoolBased on description of  
accounting codesIndirectly attributed based on relative value of  
current month salaries and wages in Accounts  
2411 through 2441 and 6411 through 6441Specialized tools consisting of  
heavy construction and cable  
laying equipment **Ameritech  
rarely use this cost pool**

✓ ✓ ✓ ✓

## 2121 Buildings

Directly Assigned Regulated

Not applicable

Directly Assigned Regulated

The Companies do not have  
buildings which can be directly  
assigned Not applicable  
(Uniformity – Cost Pool not in  
use)

✓ ✓ ✓ ✓

Directly Assigned Nonregulated

Not applicable

Directly Assigned Nonregulated

The Companies do not have  
buildings which can be directly  
assigned Not applicable  
(Uniformity – Cost Pool not in  
use)

✓ ✓ ✓ ✓

Directly Attributed Regulated

Analysis of building use

Directly attributed to regulated

Includes portions of buildings  
which are rented to others

✓ ✓ ✓ ✓

Directly Attributed Nonregulated

Analysis of building use

Directly attributed to nonregulated

Not applicable (Uniformity – Cost  
pool not in use)

✓ ✓ ✓ ✓

USOA Part 32 Accounts	Cost Pool Name	Cost Pool Identification	Cost Pool Apportionment Method	Comments	P	N	S	A
2121 Buildings (Cont )	Central Office Cost Pool	Analysis of building use	Indirectly attributed based on current regulated and nonregulated investment value of Central Office equipment in Accounts 2210 through 2232, excluding investment in central office equipment in buildings directly assigned to regulated or nonregulated activities		✓	✓	✓	✓
	Distribution Services Cost Pool	Analysis of building use	Indirectly attributed based on relative value of Distribution Services current year salaries and wages in Accounts 2310 through 2441, and 6310 through 6441, excluding such salaries and wages associated with personnel who are assigned to buildings that are directly assigned to regulated or nonregulated activities		✓	✓	✓	✓
	Network Operations Cost Pool	Analysis of building use	Indirectly attributed based on relative value of Network Operations current year salaries and wages in Accounts 6110 through 6124 (excluding 6121) and 6510 through 6535, excluding such salaries and wages associated with personnel who are assigned to buildings that are directly assigned to regulated or nonregulated activities		✓	✓	✓	✓
	Customer Operations Cost Pool	Analysis of building use	Indirectly attributed based on relative value of Customer Operations current year salaries and wages in Accounts 6610 through 6623, excluding such salaries and wages associated with personnel who are assigned to buildings that are directly assigned to regulated or nonregulated activities		✓	✓	✓	✓
	Corporate Operations Cost Pool	Analysis of building use	Indirectly attributed based on relative value of Corporate Operations current year salaries and wages in Account 6720, excluding such salaries and wages associated with personnel who are assigned to buildings that are directly assigned to regulated or nonregulated activities		✓	✓	✓	✓

<u>USOA Part 32 Accounts</u>	<u>Cost Pool Name</u>	<u>Cost Pool Identification</u>	<u>Cost Pool Apportionment Method</u>	<u>Comments</u>	<u>P</u>	<u>N</u>	<u>S</u>	<u>A</u>
2122 Furniture	<b>Direct Cost Pool</b>	<b>Based on description of accounting codes.</b>	<b>Directly assigned to regulated</b>		✓			
	Furniture Cost Pool	<b>Based on description of accounting codes</b>	Indirectly attributed based on company current month salaries and wages		✓	✓	✓	✓
2123 Office Equipment	<b>Direct Cost Pool</b>	<b>Based on description of accounting codes</b>	<b>Directly assigned to regulated</b>		✓			
	Office Equipment Cost Pool	<b>Based on description of accounting codes</b>	Indirectly attributed based on company current month salaries and wages	Includes office support equipment and company communications systems	✓	✓	✓	✓
2124 General Purpose Computers	Direct Cost Pool	Based on description of accounting codes and computer usage	Directly assigned to regulated		✓		✓	
	Direct Cost Pool	Based on description of accounting codes and computer usage	Directly assigned to nonregulated		✓		✓	
	Directly Attributed Regulated	Based on description of accounting codes and computer usage	Directly attributed to regulated		✓		✓	
	Directly Attributed Nonregulated	Based on description of accounting codes and computer usage	Directly attributed to nonregulated				✓	
	Revenue/Billing Cost Pool	Based on description of accounting codes and computer usage	Indirectly attributed based on analysis of customer bills		✓		✓	
	Joint Cost Pool	Based on description of accounting codes and computer usage	Indirectly attributed based on total company current month salaries and wages less billing related current month salaries and wages in Account 6623 2, Customer Services		✓			

USOA Part 32 Accounts	Cost Pool Name	Cost Pool Identification	Cost Pool Apportionment Method	Comments	P	N	S	A
2124 General Purpose Computers (Cont )	<b>Plant Investment</b> Cost Pool	Based on description of accounting codes and computer usage	Indirectly attributed based on current regulated and nonregulated investment value of <b>Account 2001, Telecommunications Plant in Service</b>				✓	
	Service Order Cost Pool	Based on description of accounting codes and computer usage	Indirectly attributed based on relative value of the Service Order Cost Pool in Account 6623, Customer Services				✓	
	Personnel/Communications/General Purpose Cost Pool	Based on description of accounting codes and computer usage	Indirectly attributed based on company current month salaries and wages				✓	✓
	Marketing Cost Pool	Based on description of accounting codes and computer usage	Marketing Allocator				✓	
	Minicomputer Cost Pool	Based on description of accounting codes and computer usage	Indirectly attributed based on company current month salaries and wages, excluding salaries and wages in Accounts 2211 through 2441, and 6211 through 6441				✓	
	Microcomputers Cost Pool	Based on description of accounting codes	Indirectly attributed based on company current month salaries and wages, excluding salaries and wages in Accounts 2211 through 2441, and 6211 through 6441		✓	✓	✓	

USOA Part 32 Accounts	Cost Pool Name	Cost Pool Identification	Cost Pool Apportionment Method	Comments	P	N	S	A
2124 General Purpose Computers (Cont )	Operations Cost Pool	Based on description of accounting codes	Indirectly attributed based on relative value of Operations current month salaries and wages in Accounts 2211 through 2441, 6211 through 6441 and Accounts 6531 through 6623			✓		
	General Operations Cost Pool	Based on description of accounting codes and computer usage	General Allocator				✓	
2211 Nondigital Switching	Direct Cost Pool	Based on description of accounting codes and analysis of equipment inventory records	Directly assigned to regulated	Includes prior Accounts 2211 and 2215	✓	✓	✓	✓
	Analog Cost Pool	Based on description of accounting codes and analysis of equipment inventory records	Directly attributed based on peak forecasted annual usage	AOCs use call volumes, PB uses cpu cycles, SWBT uses messages SWBT's investment is frozen	✓		✓	✓
2212 Digital Electronic Switching	Direct Cost Pool	Based on description of accounting codes and analysis of equipment inventory records	Directly assigned to regulated		✓	✓	✓	✓
	Direct Cost Pool	Based on description of accounting codes and analysis of equipment inventory records	Directly assigned to nonregulated	<b>PB and SWBT rarely use this cost pool.</b>	✓		✓	✓

<u>USOA Part 32 Accounts</u>	<u>Cost Pool Name</u>	<u>Cost Pool Identification</u>	<u>Cost Pool Apportionment Method</u>	<u>Comments</u>	<u>P</u>	<u>N</u>	<u>S</u>	<u>A</u>
2212 Digital Electronic Switching (Cont )	Packet Switch Cost Pool	Based on description of accounting codes and analysis of equipment inventory records	Directly attributed based on peak forecasted annual usage	AOCs use logical channels, PB uses 128 byte segments, SWBT uses kilosegments	✓		✓	✓
	Signaling Cost Pool	Based on description of accounting codes and analysis of equipment inventory records	Directly attributed based on peak forecasted annual usage-octets		✓		✓	✓
	CDAR Cost Pool	Based on description of accounting codes and analysis of equipment inventory records	Directly attributed based on forecasted annual usage	AOCs use call volumes, PB uses cpu seconds, SWBT uses messages, NB uses COE usage study SWBT's investment is frozen	✓	✓	✓	✓
	Automated Attendant Cost Pool	Analysis of property records	Directly attributed to nonregulated	<b>This investment is frozen</b>		✓		
2220 Operator Systems	Direct Cost Pool	Based on description of accounting codes	Directly assigned to regulated	<b>PB and SWBT rarely use this cost pool.</b>	✓	✓	✓	
	Direct Cost Pool	Based on description of accounting code and specific identification of equipment in accounting records	Directly assigned to nonregulated				✓	
	Operator Systems Frozen Cost Pool	Based on description of accounting codes and analysis of equipment inventory records	Directly attributed based on peak forecasted annual usage-call volumes	This investment is frozen			✓	

USQA Part 32 Accounts	Cost Pool Name	Cost Pool Identification	Cost Pool Apportionment Method	Comments	P	N	S	A
2220 Operator Systems (Cont )	Operator Systems Cost Pool	Based on description of accounting codes	Directly attributed based on peak forecasted annual usage-call volumes		✓	✓	✓	✓
2231 Radio Systems	Direct Cost Pool	Based on description of accounting codes	Directly assigned to regulated		✓	✓	✓	✓
	Signaling Cost Pool	Based on description of accounting codes and analysis of equipment inventory records	Directly attributed based on peak forecasted annual usage-octets		✓			
2232 Circuit Equipment	Direct Cost Pool	Based on description of accounting codes	Directly assigned to regulated		✓	✓	✓	✓
	Direct Cost Pool	Based on description of accounting codes	Directly assigned to nonregulated					✓
	Signaling Cost Pool	Based on description of accounting codes and analysis of equipment inventory records	Directly attributed based on peak forecasted annual usage-octets		✓		✓	✓
2311 Station Apparatus	Direct Cost Pool	Based on description of accounting codes	Directly assigned to regulated	This pool is not used by the Companies - Not Applicable (Uniformity - cost pool not in use)				
	Direct Cost Pool	Based on description of accounting codes	Directly assigned to nonregulated				✓	✓

<u>USOA Part 32 Accounts</u>	<u>Cost Pool Name</u>	<u>Cost Pool Identification</u>	<u>Cost Pool Apportionment Method</u>	<u>Comments</u>	<u>P</u>	<u>N</u>	<u>S</u>	<u>A</u>
2321 Customer Premises Wiring	Direct Cost Pool	Cost pool equals account	Directly assigned to regulated					✓
2341 Large PBX	Direct Cost Pool	Based on description of accounting codes	Directly assigned to regulated	Regulated investment includes Customer Premises Equipment for 911 emergency systems and embedded (as of 1/1/83) investment in centrex service (Plexar) <sup>R</sup> consoles			✓	
	Direct Cost Pool	Based on description of accounting codes	Directly assigned to nonregulated		✓		✓	✓
2351 Public Telephone Terminal Equipment	Direct Cost Pool	Cost Pool equals account	Directly assigned to nonregulated		✓	✓	✓	✓
2362 Other Terminal Equipment	Direct Cost Pool	Cost Pool equals account	Directly assigned to regulated		✓	✓	✓	✓
2411 Poles	Direct Cost Pool	Based on description of accounting codes	Directly assigned to regulated		✓	✓	✓	✓
	Direct Cost Pool	Based on description of accounting codes	Directly assigned to nonregulated	This investment is frozen	✓			



<u>USOA Part 32 Accounts</u>	<u>Cost Pool Name</u>	<u>Cost Pool Identification</u>	<u>Cost Pool Apportionment Method</u>	<u>Comments</u>	<u>P</u>	<u>N</u>	<u>S</u>	<u>A</u>
2421 Aerial Cable	Direct Cost Pool	Cost Pool equals account	Directly assigned to regulated	The Companies do not use aerial cable in the provision of nonregulated activities	✓	✓	✓	✓
2422 Underground Cable	Direct Cost Pool	Based on description of accounting codes	Directly assigned to regulated		✓	✓	✓	✓
	Signaling Cost Pool	Based on description of accounting codes and analysis of equipment inventory records	Directly attributed based on peak forecasted annual usage-octets		✓		✓	✓
2423 Buried Cable	Direct Cost Pool	Based on description of accounting codes	Directly assigned to regulated		✓	✓	✓	✓
	Signaling Cost Pool	Based on description of accounting codes and analysis of equipment inventory records	Directly attributed based on peak forecasted annual usage-octets					✓
2424 Submarine and Deep Sea Cable	Direct Cost Pool	Cost Pool equals account	Directly assigned to regulated	The Companies do not use submarine cable in the provision of nonregulated activities. Includes prior Accounts 2424 and 2425	✓		✓	✓
2426 Intrabuilding Network Cable	Direct Cost Pool	Cost Pool equals account	Directly assigned to regulated	The Companies do not use intrabuilding network cable in the provision of nonregulated activities	✓	✓	✓	✓

<u>USOA Part 32 Accounts</u>	<u>Cost Pool Name</u>	<u>Cost Pool Identification</u>	<u>Cost Pool Apportionment Method</u>	<u>Comments</u>	<u>P</u>	<u>N</u>	<u>S</u>	<u>A</u>
2431 Aerial Wire	Direct Cost Pool	Cost Pool equals account	Directly assigned to regulated	The Companies do not use aerial wire in the provision of nonregulated activities	✓	✓	✓	
2441 Conduit Systems	Direct Cost Pool	Based on description of accounting codes	Directly assigned to regulated		✓	✓	✓	✓
	Direct Cost Pool	Based on description of accounting codes	Directly assigned to nonregulated	This investment is frozen	✓			
	Signaling Cost Pool	Based on description of accounting codes and analysis of equipment inventory records	Directly attributed based on peak forecasted annual usage-octets		✓		✓	✓
2681 Capital Leases	Direct Cost Pool	Based on description of accounting codes	Directly assigned to regulated	Pacific Bell rarely uses this pool	✓			
	Directly Attributed Regulated Cost Pool	Based on description of accounting codes and lease study	Directly attributed to regulated	Pacific Bell rarely uses this pool	✓			
	Directly Attributed Nonregulated Cost Pool	Based on description of accounting codes and lease study	Directly attributed to nonregulated	Pacific Bell rarely uses this pool	✓			
	Capital Lease-Office Equipment Cost Pool	Based on description of accounting codes and lease study	Indirectly attributed based on Company current month salaries and wages, excluding salaries and wages in Accounts 2211 through 2441, and 6211 through 6441		✓		✓	
	Capital Lease-General Purpose Computer Cost Pool	Based on description of accounting codes and lease study	Indirectly attributed based on relative investment value of Account 2124, General Purpose Computers		✓		✓	

USOA Part 32 Accounts	Cost Pool Name	Cost Pool Identification	Cost Pool Apportionment Method	Comments	P	N	S	A
2681 Capital Leases (Cont )	Capital Lease-Motor Vehicle Cost Pool	Based on description of accounting codes and lease study	Indirectly attributed based on relative investment value of Account 2112, Motor Vehicles		✓		✓	
	Capital Lease-Central Office Building Space Cost Pool	Based on description of accounting codes and lease study	Indirectly attributed based on relative value of Central Office current month salaries and wages in Accounts 2211 through 2232 and Accounts 6211 through 6232		✓		✓	
	Capital Lease-Distribution Services Building Space Cost Pool	Based on description of accounting codes and lease study	Indirectly attributed based on relative value of Distribution Services current month salaries and wages in Accounts 2311 through 2441, and 6311 through 6441	Includes storerooms, garages, warehouses, service operations centers	✓		✓	
	Capital Lease-Network Operations Building Space Cost Pool	Based on description of accounting codes and lease study	Indirectly attributed based on relative value of Network Operations current month salaries and wages in Accounts 6112 through 6124 (excluding 6121) and 6511 through 6535		✓		✓	
	Capital Lease-Customer Operations Building Space Cost Pool	Based on description of accounting codes and lease study	Indirectly attributed based on relative value of Customer Operations Cost current month salaries and wages in Accounts 6611 through 6623		✓		✓	
	Capital Lease-Corporate Operations Building Space Cost Pool	Based on description of accounting codes and lease study	Indirectly attributed based on relative value of Corporate Operations current month salaries and wages in Accounts 6711 through 6728		✓		✓	

USOA Part 32 Accounts	Cost Pool Name	Cost Pool Identification	Cost Pool Apportionment Method	Comments	P	N	S	A
2681 Capital Leases (Cont )	Capital Lease-Land and Building Cost Pool	Based on description of accounting codes	Indirectly attributed based on relative investment value of Account 2121, Buildings					✓
2682 Leasehold Improvements	Directly Attributed Regulated Cost Pool	Based on description of accounting codes and leasehold improvement study	Directly attributed to regulated	Includes portions of leasehold improvements which are located on leased property that has been sublet	✓		✓	
	Directly Attributed Nonregulated Cost Pool	Based on description of accounting codes and leasehold improvement study	Directly attributed to nonregulated	Pacific Bell rarely uses this pool	✓			
	Leased-Central Office Cost Pool	Based on description of accounting codes and leasehold improvement study	Indirectly attributed based on relative value of Central Office current month salaries and wages in Accounts 2211 through 2232 and Accounts 6211 through 6232	Includes capital improvements made to building space obtained under capital and operating lease arrangements	✓		✓	
	Leased-Distribution Services Cost Pool	Based on description of accounting codes and leasehold improvement study	Indirectly attributed based on relative value of Distribution Services current month salaries and wages in Accounts 2311 through 2441 and 6311 through 6441		✓		✓	
	Leased-Network Operations Cost Pool	Based on description of accounting codes and leasehold improvement study	Indirectly attributed based on relative value of Network Operations current month salaries and wages in Accounts 6112 through 6124 (excluding 6121) and 6511 through 6535		✓		✓	
	Leased-Customer Operations Cost Pool	Based on description of accounting codes and leasehold improvement study	Indirectly attributed based on relative value of Customer Operations current month salaries and wages in Accounts 6611 through 6623		✓		✓	

USOA Part 32 Accounts	Cost Pool Name	Cost Pool Identification	Cost Pool Apportionment Method	Comments	P	N	S	A
2682 Leasehold Improvements (Cont )	Leased-Corporate Operations Cost Pool	Based on description of accounting codes and leasehold improvement study	Indirectly attributed based on relative value of Corporate Operations current month salaries and wages in Accounts 6711 through 6728		✓		✓	
	Operations Leasehold Improvement Cost Pool	Based on description of accounting codes	Indirectly attributed based on relative value of Operations current month salaries and wages in Accounts 2211 through 2441, 6211 through 6441, and Accounts 6531 through 6623			✓		
	Leasehold Improvement Cost Pool	Based on description of accounting codes	Indirectly attributed based on the relative value of capital Lease Land and Building Cost Pool in Account 2681 and Land and Building Operating Rent Cost Pool in Account 6121					✓
2690 Intangibles	Network Software Cost Pool	Based on description of accounting codes	Indirectly attributed based on current regulated and nonregulated investment value of the Central Office Equipment in Accounts 2211 through 2232	Includes prior Accounts 2690 and 3500	✓	✓	✓	✓
	General Purpose Computer Software Cost Pool	Based on description of accounting codes	Indirectly attributed based on the relative value of Account 6124, General Purpose Computers Expense	Includes prior Accounts 2690 and 3500	✓	✓	✓	✓
3100 Accumulated Depreciation	Direct Cost Pool	Based on description of accounting codes	Directly assigned to regulated	The cost pool structure for accumulated depreciation is different than Telecommunications Plant in Service. Mass asset depreciation is used which does not require the same level of detail as the investment accounts	✓	✓	✓	✓
	Direct Cost Pool	Based on description of accounting codes	Directly assigned to nonregulated		✓	✓	✓	✓

USOA Part 32 Accounts	Cost Pool Name	Cost Pool Identification	Cost Pool Apportionment Method	Comments	P	N	S	A
3100 Accumulated Depreciation (Cont )	Central Office Equipment Cost Pool	Based on description of accounting codes	Indirectly attributed based on relative investment value of Central Office Equipment in Accounts 2211 through 2232		✓	✓	✓	✓
	Information Origination/ Termination Equipment Cost Pool	Based on description of accounting codes	Indirectly attributed based on relative investment value of Information Origination/ Termination Equipment in Accounts 2311 through 2362, excluding investment categories directly assigned in Accounts 2311 through 2362		✓	✓	✓	✓
	Outside Plant Cost Pool	Based on description of accounting codes	Indirectly attributed based on relative investment value of Outside Plant in Accounts 2411 through 2441		✓	✓	✓	✓
	General Support Asset Cost Pool	Based on description of accounting codes	Indirectly attributed based on relative investment value of General Support Assets in Accounts 2112 through 2124		✓	✓	✓	✓
3200 Accumulated Depreciation Held For Future Telecommunications Use	Accumulated Depreciation - Future Use Cost Pool	Cost Pool equals account	Indirectly attributed based on the relative investment value of Account 2002, Property Held for Future Telecommunications Use					✓
3410 Accumulated Amortization - Capitalized Leases	Accumulated Amortization - Leases Cost Pool	Cost Pool equals account	Indirectly attributed based on the relative investment value of Account 2681, Capital Leases		✓		✓	✓
3420 Accumulated Amortization - Leasehold Improvements	Accumulated Amortization - Buildings Cost Pool	Cost Pool equals account	Indirectly attributed based on relative investment value of Account 2682, Leasehold Improvements		✓	✓	✓	✓

USOA Part 32 Accounts	Cost Pool Name	Cost Pool Identification	Cost Pool Apportionment Method	Comments	P	N	S	A
4040 Customers' Deposits	Direct Cost Pool	Cost Pool equals account	Directly assigned to regulated	At the present time none of the Companies' nonregulated services require customer deposits	✓	✓	✓	✓
4100 Net Current Deferred Operating Income Taxes	Plant Cost Pool	Based on description of accounting codes	Indirectly attributed based on current regulated and nonregulated investment value of Account 2001, Total Plant In Service	<b>The Companies rarely use this cost pool</b>	✓	✓	✓	✓
	Non-Plant Cost Pool	Based on description of accounting codes	Indirectly attributed based on company current month salaries and wages		✓	✓	✓	✓
4300 Other Long-Term Liabilities and Deferred Credits	Direct Cost Pool	Based on description of accounting codes	Directly assigned to regulated	Includes prior Accounts *4310 and 4360, *item is not subject to separations <b>Ameritech rarely uses this cost pool.</b>	✓	✓	✓	✓

USQA Part 32 Accounts	Cost Pool Name	Cost Pool Identification	Cost Pool Apportionment Method	Comments	P	N	S	A
4300 Other Long-Term Liabilities and Deferred Credits (Cont)	Pension, Benefits and Other Cost Pool	Based on description of accounting codes	Indirectly attributed based on company current month salaries and wages	This cost pool is used in ratemaking. Accrued postretirement benefits are to be reflected in the interstate rate base pursuant to CC Docket No. 96-22 released February 20, 1997 (AAD 92-65)	✓	✓	✓	✓
	Other Cost Pool	Based on description of accounting codes	General allocator	Includes prior Account 4360	✓	✓	✓	✓
4340 Net Noncurrent Deferred Operating Income Taxes	Plant Cost Pool	Based on description of accounting codes	Indirectly attributed based on current regulated and nonregulated investment value of Account 2001, Total Plant In Service		✓	✓	✓	✓
	Non-Plant Cost Pool	Based on description of accounting codes	Indirectly attributed based on company current month salaries and wages		✓	✓	✓	✓
4370 Other Jurisdictional Liabilities And Deferred Credits-Net	Direct Cost Pool	Cost Pool equals account	Directly assigned to regulated	Amounts in this account will be excluded from ratemaking in the Separations process, thus allocation between regulated and nonregulated is not necessary	✓	✓	✓	✓
5001 - 5230	Direct Cost Pool	Cost Pool equals account	Directly assigned to regulated	Includes prior Accounts 5000-5270	✓	✓	✓	✓
5280 Nonregulated Operating Revenue	Direct Cost Pool	Cost Pool equals account	Directly assigned to nonregulated		✓	✓	✓	✓



USOA Part 32 Accounts	Cost Pool Name	Cost Pool Identification	Cost Pool Apportionment Method	Comments	P	N	S	A
5300 Uncollectible Revenue	Direct Cost Pool	Based on description of accounting codes	Directly assigned to regulated	Includes prior Accounts 5301 and 5302 <b>Ameritech rarely uses this cost pool</b>	✓	✓	✓	✓
	Direct Cost Pool	Based on description of accounting codes	Directly assigned to nonregulated	Includes prior Accounts 5301 and 5302	✓	✓	✓	
	Uncollectible Revenue – Other Cost Pool	Based on description of accounting codes	Indirectly attributed based on the relative value of regulated and nonregulated revenue in Accounts 5001 through 5100, 5230 and 5280	Includes prior Account 5301				✓
6112 Motor Vehicle Expense	Direct Cost Pool	Based on description of accounting codes	Directly assigned to regulated	Nevada Bell <b>and SWBT</b> rarely use this cost pool	✓	✓	✓	
	Direct Cost Pool	Based on description of accounting codes	Directly assigned to nonregulated	<b>SWBT and PB</b> rarely use this cost pool				
	Common Cost Pool	Based on description of accounting codes	Indirectly attributed based on relative investment value of the common cost pools (excluding the Distribution Services and Central Office cost pools) in Account 2112	Represents the remaining expenses after clearances to construction accounts and other plant specific expense accounts	✓	✓	✓	✓
6113 Aircraft Expense	Common Cost Pool	Cost pool equals account	Indirectly attributed based on company current month salaries and wages	The Companies do not have Aircraft investment				
6114 Tools and Other Work Equipment Expense	Direct Cost Pool	Based on description of accounting codes	Directly assigned to regulated		✓	✓		
	Direct Cost Pool	Based on description of accounting codes	Directly assigned to nonregulated	<b>SWBT rarely uses this cost pool.</b>	✓		✓	

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6114 Tools and Other Work Equipment Expense (Cont )								
	<b>Tools and Work Equipment Cost Pool</b>	Based on description of accounting codes	Indirectly attributed based on the relative value of <b>current month salaries and wages in Accounts 2211 through 2441 and 6211 through 6441</b>		✓	✓	✓	✓
6121 Land and Building Expenses	Directly Assigned Regulated	Based on description of accounting codes	Directly Assigned Regulated		✓	✓	✓	
	Directly Assigned Nonregulated	<b>Based on description of accounting codes.</b>	Directly Assigned Nonregulated		✓		✓	
	Operating Rent Cost Pool	Based on description of accounting codes	Directly attributed to regulated and nonregulated based on analysis of the use of the rented asset		✓	✓	✓	✓
	Other Common Expense Cost Pool	Based on description of accounting codes	Indirectly attributed based on relative value of the common cost pools in Accounts 2111, Land, and 2121, Buildings		✓	✓	✓	✓

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6122 Furniture and Artworks Expense	Direct Cost Pool	Based on description of accounting codes	Directly assigned to regulated		✓		✓	
	Direct Cost Pool	Based on description of accounting codes	Directly assigned to nonregulated	PB and SWBT rarely use this cost pool	✓		✓	
	Furniture Cost Pool	Based on description of accounting codes	Indirectly attributed based on Company current month salaries and wages, excluding salaries and wages in Accounts 2211 through 2441, and 6211 through 6441		✓	✓	✓	✓
6123 Office Equipment Expense	Direct Cost Pool	Based on description of accounting codes	Directly assigned to regulated		✓	✓	✓	
	Direct Cost Pool	Based on description of accounting codes	Directly assigned to nonregulated		✓		✓	
	Office Equipment Cost Pool	Account 6123 balance, less amount assigned to the Direct Cost Pools	Indirectly attributed based on Company current month salaries and wages, excluding salaries and wages in Accounts 2211 through 2441, and 6211 through 6441		✓	✓	✓	✓
6124 General Purpose Computers Expense	Direct Cost Pool	Based on description of accounting codes	Directly assigned to regulated		✓		✓	✓
	Direct Cost Pool	Based on description of accounting codes	Directly assigned to nonregulated		✓		✓	✓
	Directly Attributed Regulated	Based on description of accounting codes and computer usage	Directly attributed regulated		✓	✓	✓	✓
	Directly Attributed Nonregulated	Based on description of accounting codes and computer usage	Directly attributed to nonregulated	Nevada Bell rarely uses this cost pool.	✓	✓	✓	✓

USOA Part 32 Accounts	Cost Pool Name	Cost Pool Identification	Cost Pool Apportionment Method	Comments	P	N	S	A
6124 General Purpose Computers Expense (Cont )	Revenue//Billing Cost Pool	Based on description of accounting codes and computer usage	Indirectly attributed based on analysis of customer bills		✓	✓	✓	
	Customer Billing and Collection Cost Pool	Based on description of accounting codes and computer usage	Indirectly attributed based on relative value of regulated and nonregulated revenue in Accounts 5001 through 5100, 5230 and 5280					✓
	Plant Investment Cost Pool	Based on description of accounting codes and computer usage	Indirectly attributed based on current regulated and nonregulated investment value of <b>Account 2001, Telecommunications Plant in Service</b>		✓	✓	✓	✓
	Service Order Cost Pool	Based on description of accounting codes and computer usage	Indirectly attributed based on relative value of the Service Order Cost Pool in Account 6623, Customer Services		✓	✓	✓	
	Service Order Processing Cost Pool	Based on description of accounting codes and computer usage	Directly attributed based on analysis of service orders					✓
	Personnel/Communications Cost Pool	Based on description of accounting codes and computer usage	Indirectly attributed based on company current month salaries and wages	Cost Pool is rarely used by Ameritech	✓	✓	✓	✓

USOA Part 32 Accounts	Cost Pool Name	Cost Pool Identification	Cost Pool Apportionment Method	Comments	P	N	S	A
6124 General Purpose Computers Expense (Cont )	Marketing Cost Pool	Based on description of accounting codes and computer usage	Marketing Allocator		✓	✓	✓	✓
	General Operations Cost Pool	Based on description of accounting codes and computer usage	General Allocator		✓	✓	✓	✓
	Microcomputers Cost Pool	Based on description of accounting codes	Indirectly attributed based on company current month salaries and wages, excluding salaries and wages in Accounts 2211 through 2441, and 6211 through 6441		✓	✓	✓	
	General Computer Support Cost Pool	Account 6124 balance less amounts assigned to other cost pools	Indirectly attributed based on relative investment value of the common cost pools in Account 2124, General Purpose Computers		✓	✓	✓	✓
6211 Nondigital Switching Expense	Direct Cost Pool	Based on description of accounting codes	Directly assigned to regulated	Includes prior Accounts 6211 and 6215	✓	✓	✓	✓
	Direct Cost Pool	Based on description of accounting codes	Directly assigned to nonregulated	Includes prior Account 6211	✓			
	Analog Cost Pool	Based on description of accounting codes and relative value of the Analog investment in Account 2211, Nondigital Switching	Directly attributed based on current regulated and nonregulated use of the Analog investment in Account 2211, Nondigital Switching	Includes prior Account 6211	✓			✓
6212 Digital Electronic Expense	Direct Cost Pool	Based on description of accounting codes	Directly assigned to regulated		✓	✓	✓	✓
	Direct Cost Pool	Based on description of accounting codes	Directly assigned to nonregulated		✓	✓	✓	✓
	Packet Switching Cost Pool	Based on description of accounting codes and relative value of the Packet Switch cost pool in Account 2212	Directly attributed based on current month regulated and nonregulated use of the Packet Switching Cost Pool investment in Account 2212, Digital Electronic Switching		✓		✓	✓

USOA Part 32 Accounts	Cost Pool Name	Cost Pool Identification	Cost Pool Apportionment Method	Comments	P	N	S	A
6212 Digital Electronic Expense (Cont )	Signaling Cost Pool	Based on description of accounting codes and relative value of Signaling Cost Pool in Account 2212	Directly attributed based on current month regulated and nonregulated use of the Signaling Cost Pool investment in Account 2212, Digital Electronic Switching		✓		✓	✓
	CDAR Cost Pool	Based on description of accounting codes and relative value of the CDAR cost pool in Account 2212	Directly attributed based on current regulated and nonregulated use of CDAR Account 2212, Digital Electronic Switching investment	PB, NB and the AOCs use monthly call volumes	✓	✓		✓
	Digital Electronic Cost Pool	Based on description of accounting codes and relative value of the directly assigned cost pools in Account 2212 Digital Electronic Switching	Indirectly attributed based on the relative investment value of the directly assigned cost pools in Account 2212, Digital Electronic Switching					✓
6220 Operator Systems Expense	Direct Cost Pool	Based on description of accounting codes	Directly assigned to regulated		✓	✓	✓	✓
	Direct Cost Pool	Based on description of accounting codes	Directly assigned to nonregulated	SWBT rarely uses this cost pool	✓		✓	
	Operator Systems Expense Cost Pool	Based on description of accounting codes	Directly attributed based on current month regulated and nonregulated call volume usage for Operator Systems Cost Pool in Account 2220, Operator Systems		✓	✓	✓	✓
6231 Radio Systems Expense	Direct Cost Pool	Based on description of accounting codes	Directly assigned to regulated		✓	✓	✓	✓
	Direct Cost Pool	Based on description of accounting codes	Directly assigned to nonregulated	SWBT and PB rarely use this cost pool	✓		✓	

USOA Part 32 Accounts	Cost Pool Name	Cost Pool Identification	Cost Pool Apportionment Method	Comments	P	N	S	A
6231 Radio Systems Expense (Cont )	Signaling Cost Pool	Based on description of accounting codes and relative value of the Signaling Cost Pool in Account 2231	Directly attributed to based on current month regulated and nonregulated use of the Signaling Cost Pool investment in Account 2231 Radio Systems		✓			
6232 Circuit Equipment Expense	Direct Cost Pool	Based on description of accounting codes	Directly assigned to regulated		✓	✓	✓	✓
	Direct Cost Pool	Based on description of accounting codes	Directly assigned to nonregulated	<b>SWBT rarely uses this cost pool</b>	✓		✓	
	Signaling Cost Pool	Based on description of accounting codes and relative value of Signaling Cost Pool in Account 2232	Directly attributed based on current month regulated and nonregulated use of the Signaling Cost Pool investment in Account 2232, Circuit Equipment		✓		✓	✓
	Other Digital Equipment Customer Trouble Report and Customer Service Order Cost Pool	Based on description of accounting codes and relative value of Other Digital Equipment Investment in Account 2232	Indirectly attributed based on the current relative investment value of Other Digital Circuit Equipment Investment in Account 2232 less the Signaling Cost Pool					✓
	Other Analog Repairs and Rearrangements Cost Pool	Based on description of accounting codes and relative value of Other Analog Investment in Account 2232	Indirectly attributed based on the current relative investment value of Other Analog Equipment Investment in Account 2232					✓
6311 Station Apparatus Expense	Direct Cost Pool	Based on description of accounting codes	Directly assigned to regulated	Includes 50% of the travel associated with combination visits (i.e., jobs that include both regulated and nonregulated work) <b>PB</b> and SWBT rarely use this pool	✓		✓	
	Direct Cost Pool	Based on description of accounting codes	Directly assigned to nonregulated	Includes 50% of the travel associated with combination visits (i.e., jobs that include both regulated and nonregulated work)	✓	✓	✓	✓

USOA Part 32 Accounts	Cost Pool Name	Cost Pool Identification	Cost Pool Apportionment Method	Comments	P	N	S	A
6311 Station Apparatus Expense (Cont )	Common-No Access/No Trouble Found Cost Pool	Based on description of accounting codes	Indirectly attributed to regulated based on 75% of the ratio of regulated trouble counts cleared to total trouble counts cleared, with the residual assigned to nonregulated	This pool is not used by the Companies (Uniformity - cost pool not in use )				
6341 Large Private Branch Exchange Expense	Direct Cost Pool	Based on description of accounting codes	Directly assigned to regulated	Includes 50% of the travel associated with combination visits (i e , jobs that include both regulated and nonregulated work)	✓		✓	
	Direct Cost Pool	Based on description of accounting codes	Directly assigned to nonregulated	Includes 50% of the travel associated with combination visits (i e , jobs that include both regulated and nonregulated work)	✓	✓	✓	
	Common-No Access/No Trouble Found Cost Pool	Based on description of accounting codes	Indirectly attributed to regulated based on 75% of the ratio of regulated trouble counts cleared to total trouble counts cleared, with the residual assigned to nonregulated	This pool is not used by the Companies (Uniformity - cost pool not in use )				
6351 Public Telephone Terminal Equipment Expense	Direct Cost Pool	Cost Pool equals account	Directly assigned to nonregulated		✓	✓	✓	✓
6362 Other Terminal Equipment Expense	Direct Cost Pool	Based on description of accounting codes	Directly assigned to regulated	Includes 50% of the travel associated with combination visits (i e , jobs that include both regulated and nonregulated work)	✓	✓	✓	✓
	Direct Cost Pool	Based on description of accounting codes	Directly assigned to nonregulated	Includes nonregulated maintenance expense incurred on customer owned other terminal equipment Also includes 50% of the travel associated with combination visits (i e , jobs that include both regulated and nonregulated work)	✓	✓	✓	✓



<u>USOA Part 32 Accounts</u>	<u>Cost Pool Name</u>	<u>Cost Pool Identification</u>	<u>Cost Pool Apportionment Method</u>	<u>Comments</u>	<u>P</u>	<u>N</u>	<u>S</u>	<u>A</u>
6362 Other Terminal Equipment Expense (Cont )	Common-No Access/No Trouble Found Cost Pool	Based on description of accounting codes	Indirectly attributed to regulated based on 75% of the ratio of regulated trouble counts cleared to total trouble counts cleared, with the residual assigned to nonregulated		✓	✓	✓	✓
6411 Poles Expense	Direct Cost Pool	Cost Pool equals account	Directly assigned to regulated		✓	✓	✓	✓
6421 Aerial Cable Expense	Direct Cost Pool	Based on description of accounting codes	Directly assigned to regulated		✓	✓	✓	✓
	Direct Cost Pool	Based on description of accounting codes	Directly assigned to nonregulated	This pool is used by PB and SWBT, who perform work on others' property, so there is no direct nonregulated related investment	✓		✓	
6422 Underground Cable Expense	Direct Cost Pool	Based on description of accounting codes	Directly assigned to regulated		✓	✓	✓	✓
	Direct Cost Pool	Based on description of accounting codes	Directly assigned to nonregulated	This pool is used by PB and SWBT, who perform work on others' property, so there is no direct nonregulated related investment	✓		✓	
	Signaling Cost Pool	Based on description of accounting codes and relative value of Signaling Cost Pool in Account 2422	Directly attributed based on current month regulated and nonregulated use of the Signaling Cost Pool investment in Account 2422, Underground Cable		✓		✓	✓
6423 Buried Cable Expense	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated		✓	✓	✓	✓